

**Agency Legislative Budget**

The following table summarizes the total legislative budget for the agency by year, type of expenditure, and source of funding.

Agency Legislative Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Leg. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Leg. Budget Fiscal 2007	Total Leg. Budget Fiscal 06-07
FTE	28.50	0.00	1.00	29.50	0.00	1.00	29.50	29.50
Personal Services	1,466,723	(186,892)	29,645	1,309,476	(186,551)	29,565	1,309,737	2,619,213
Operating Expenses	1,311,150	(24,295)	0	1,286,855	(37,274)	0	1,273,876	2,560,731
Equipment	74,885	3,534	70,000	148,419	5,300	0	80,185	228,604
Grants	423,332	883,316	25,136	1,331,784	277,655	25,136	726,123	2,057,907
<b>Total Costs</b>	<b>\$3,276,090</b>	<b>\$675,663</b>	<b>\$124,781</b>	<b>\$4,076,534</b>	<b>\$59,130</b>	<b>\$54,701</b>	<b>\$3,389,921</b>	<b>\$7,466,455</b>
General Fund	1,497,806	224,506	124,781	1,847,093	7,972	54,701	1,560,479	3,407,572
State/Other Special	1,020,396	28,351	0	1,048,747	28,352	0	1,048,748	2,097,495
Federal Special	757,888	422,806	0	1,180,694	22,806	0	780,694	1,961,388
<b>Total Funds</b>	<b>\$3,276,090</b>	<b>\$675,663</b>	<b>\$124,781</b>	<b>\$4,076,534</b>	<b>\$59,130</b>	<b>\$54,701</b>	<b>\$3,389,921</b>	<b>\$7,466,455</b>

**Page Reference**

Legislative Budget Analysis, E-51

**Executive Budget Comparison**

The following table compares the legislative budget for the 2007 biennium to the budget requested by the Governor, by type of expenditure and source of funding.

Executive Budget Comparison								
Budget Item	Base Budget Fiscal 2004	Executive Budget Fiscal 2006	Legislative Budget Fiscal 2006	Leg – Exec. Difference Fiscal 2006	Executive Budget Fiscal 2007	Legislative Budget Fiscal 2007	Leg – Exec. Difference Fiscal 2007	Biennium Difference Fiscal 06-07
FTE	28.50	29.50	29.50	0.00	29.50	29.50	0.00	
Personal Services	1,466,723	1,309,476	1,309,476	0	1,309,737	1,309,737	0	0
Operating Expenses	1,311,150	1,286,855	1,286,855	0	1,273,876	1,273,876	0	0
Equipment	74,885	148,419	148,419	0	80,185	80,185	0	0
Grants	423,332	1,331,784	1,331,784	0	726,123	726,123	0	0
<b>Total Costs</b>	<b>\$3,276,090</b>	<b>\$4,076,534</b>	<b>\$4,076,534</b>	<b>\$0</b>	<b>\$3,389,921</b>	<b>\$3,389,921</b>	<b>\$0</b>	<b>\$0</b>
General Fund	1,497,806	1,847,093	1,847,093	0	1,560,479	1,560,479	0	0
State/Other Special	1,020,396	1,048,747	1,048,747	0	1,048,748	1,048,748	0	0
Federal Special	757,888	1,180,694	1,180,694	0	780,694	780,694	0	0
<b>Total Funds</b>	<b>\$3,276,090</b>	<b>\$4,076,534</b>	<b>\$4,076,534</b>	<b>\$0</b>	<b>\$3,389,921</b>	<b>\$3,389,921</b>	<b>\$0</b>	<b>\$0</b>

The legislature approved the budget as recommended by the Governor.

## Agency Highlights

State Library Commission Major Budget Highlights
<p>The legislature approved total funding increases of \$0.9 million over the FY 2004 base that include:</p> <ul style="list-style-type: none"> <li>◆ Present law adjustments in personal services that include a reduction for five modified, federally funded positions</li> <li>◆ Making anticipated grants a biennial appropriation</li> <li>◆ Increased funding for: <ul style="list-style-type: none"> <li>• Reimbursements for interlibrary loans to state-wide local libraries</li> <li>• Library federation support</li> <li>• Restoration of funding for one FTE position that was reduced in the general fund reduction for the 2005 biennium</li> <li>• A \$70,000 one-time-only equipment request</li> </ul> </li> </ul>

## Funding

This program is funded with a combination of general fund, state special revenue, and federal funding.

General fund supports the interlibrary loan reimbursement program, state aid to libraries throughout Montana, and general operations.

State special revenue includes funding from:

- The coal severance tax shared account, which partly funds general operations, the periodical database, materials and on-line books, and library federation grants and support that help local libraries provide basic services
- Two components of the Resource Indemnity Trust (RIT): Renewable resources, and reclamation and development grants which partly fund the Natural Heritage Program, Natural Resource Information System (NRIS), and the natural heritage and water programs
- Contracts from departments such as Fish Wildlife and Parks, Transportation, DNRC, university system, and Environmental Quality, which partly fund work done by NRIS, and the natural heritage and water programs

Revenue from the renewable resource account (\$391,400 per year) and coal severance tax shared account (\$403,700 per year) is derived from interest earned by the Resource Indemnity (RIT) and Coal Tax Trusts, which are appropriated by the legislature as defined by the constitution.

Federal Library Services and Technology Act (LSTA) funding provides grants to Montana libraries and supports state library personal services and operations.

The library maintains several positions that are funded by the Library Services and Technology Act. The number of personnel may vary from biennium to biennium depending upon grant revenue. These positions are called modified positions, and differ from other state positions in that they are removed from the base year budget. As the grant awards arrive, in accordance with 17-7-138, MCA, the library submits operating change documents to the state budget director asking permission to move the federal funds from grants to operations in order to fund the salaries. This process is reflected in the personal services line of the present law adjustments table and, depending upon the year, may be represented by a fairly large negative figure.

A wide range of federal grants that come in amounts under \$50,000 per year help fund state library services and projects related to the Natural Heritage Program, NRIS, and the water information system.

### Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget adopted by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments									
-----Fiscal 2006-----					-----Fiscal 2007-----				
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services				(137,057)					(136,700)
Vacancy Savings				(53,185)					(53,201)
Inflation/Deflation				3,534					5,300
Inflation/Deflation				(2,778)					(2,716)
Fixed Costs				68,596					55,555
<b>Total Statewide Present Law Adjustments</b>				<b>(\$120,890)</b>					<b>(\$131,762)</b>
DP 2 - Library Federation Support									
0.00	0	28,351	0	28,351	0.00	0	28,352	0	28,352
DP 8 - Standard Base Adjustments									
0.00	107,278	0	660,924	768,202	0.00	(98,384)	0	260,924	162,540
DP 10 - Transfer Base Exp. from Ren. Res. to Reclam. Dev.									
0.00	0	0	0	0	0.00	0	0	0	0
<b>Total Other Present Law Adjustments</b>									
<b>0.00</b>	<b>\$107,278</b>	<b>\$28,351</b>	<b>\$660,924</b>	<b>\$796,553</b>	<b>0.00</b>	<b>(\$98,384)</b>	<b>\$28,352</b>	<b>\$260,924</b>	<b>\$190,892</b>
<b>Grand Total All Present Law Adjustments</b>				<b>\$675,663</b>					<b>\$59,130</b>

DP 2 - Library Federation Support - The legislature increased state special revenue by \$56,703 over the biennium from the coal tax shared account to provide funding to the Library Federation Program to tie revenue to projected annual expenditures of approximately \$219,000 for the periodical database, \$56,000 for library on-line materials, and \$128,700 for federation activities.

The state library's total coal severance tax shared account revenue for FY 2002 was \$283,834. The 2003 legislature increased the amount to partially offset general fund reductions and continue funding for the periodical database, bringing the FY 2004 total to \$375,327. This appropriation brings the total to just over \$403,700 for FY 2006 and FY 2007.

The federation system helps library workers in Montana's rural areas to cooperatively purchase services and products. The federation also helps local libraries with development and operations and provides educational sessions on general library management, and on topics relevant to the required Montana library directors' certification.

DP 8 - Standard Base Adjustments - The legislature approved a net biennial adjustment to the general fund of \$8,894 to realign state-wide grants to public libraries and to reestablish zero-based per diem for commission members and volunteer insurance, as well as an adjustment to federal revenue of \$921,848 to increase authority to spend estimated federal grant awards and realign the biennial appropriation of the awards into the first year of the biennium.

DP 10 - Transfer Base Exp. from Ren. Res. to Reclam. Dev. - The legislature approved the transfer of the Natural Resource Information System (NRIS) program base funding from the Renewable Resources Program to the Reclamation and Development Program.

**New Proposals**

New Proposals										
-----Fiscal 2006-----						-----Fiscal 2007-----				
Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 7000 - Clerical Assistance in Library Development										
01	1.00	29,645	0	0	29,645	1.00	29,565	0	0	29,565
DP 7001 - Interlibrary Loan Reimbursement										
01	0.00	25,136	0	0	25,136	0.00	25,136	0	0	25,136
DP 7002 - Computer Equipment Upgrade - OTO										
01	0.00	70,000	0	0	70,000	0.00	0	0	0	0
<b>Total</b>	<b>1.00</b>	<b>\$124,781</b>	<b>\$0</b>	<b>\$0</b>	<b>\$124,781</b>	<b>1.00</b>	<b>\$54,701</b>	<b>\$0</b>	<b>\$0</b>	<b>\$54,701</b>

DP 7000 - Clerical Assistance in Library Development - The legislature approved the restoration of 1.00 FTE and approximately \$59,000 that was eliminated in the general fund reduction adopted by the 2003 legislature. The position provides clerical assistance in the library development department, which provides management and technology assistance to Montana libraries.

DP 7001 - Interlibrary Loan Reimbursement - The legislature approved \$25,136 per year general fund for the interlibrary loan reimbursements program for local libraries, returning slightly less than one third of the general fund reduction made by the last legislature as it addressed budget balancing measures.

DP 7002 - Computer Equipment Upgrade - OTO - The legislature added \$70,000 one-time-only, restricted, general fund for technology to protect library data and its delivery: a higher capacity tape backup system costing approximately \$25,000; a backup generator costing approximately \$35,000 to provide power for critical systems in the event of a power outage of long duration; and additional hard-disk storage to accommodate anticipated growth in storage needs costing approximately \$10,000.

**Language**

The legislature approved the following language for inclusion in HB2:

"Library Commission funding includes biennial appropriations of \$205,662 in general fund money and \$800,000 in federal funds for grants to local libraries."